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UNITED STATES GENERAL ACCOUNTING OFFICE

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Statement of

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Before The

Subcommittee on Government Activities and

Transportation, House Committee on

Government Operations

on

H.R. 3291, the Civilian Travel

Expenses Act of 1985



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Madam Chairwoman and Members of the Subcommittee:

I am pleased to be here this morning to testify on H.R. 3291, the Civilian Travel Expenses Act of 1985. As the testimony will indicate, GAO endorses the amendments offered by this bill to the statutes governing travel and relocation expenses for federal employees.

The bill would replace the current system of per diem or actual expense reimbursement for travel in the United States with a locality-based per diem reimbursement system. As we indicated in our comments on H.R. 4233, a similar bill introduced in the 98th Congress, we recognize that the current system of paying per diem in some locations and actual expenses in "high-rate geographical areas" is administratively cumbersome and costly from the standpoint of preparing and processing travel vouchers. Thus, the bill would simplify the travel reimbursement process.

The General Services Administration has stated that it intends to implement this new bill, if enacted, with regulations establishing a "lodgings-plus" system. Under the lodgings-plus system, the employee would be reimbursed based on the actual costs incurred for lodgings plus a fixed

amount for meals and miscellaneous expenses. However, the legislation would allow GSA the flexibility to adopt a flat-rate per diem system. As we suggested in our bill comments last year, a lodgings-plus reimbursement system based on the actual cost of lodgings allows GSA to cover situations where a flat per diem concept might be inappropriate, such as where the employee incurs little or no expense for lodgings.

A second provision of H.R. 3291 would remove the statutory ceilings on the daily reimbursement of travel expenses and would permit the Administrator of General Services to set rates based on the costs incurred in different localities within the continental United States. As stated in our bill comments last year, we strongly endorse the proposal to lift the current \$75 per day ceiling for actual subsistence expenses. This would allow the Administrator to set rates for per diem in the continental United States on the same basis that the Secretaries of State and Defense set rates for areas outside the continental United States. Removing the \$75 ceiling will alleviate the problem of federal employees being forced to subsidize the cost of official travel.

H.R. 3291 would also retain GSA's authority to permit the reimbursement of actual and necessary subsistence expenses, up to a prescribed ceiling, when the per diem allowance is either inadequate or otherwise inappropriate.

For overseas travel, such reimbursement could exceed the applicable per diem rate by 50 percent. We endorse this proposal as it would allow GSA the flexibility to adequately reimburse employees for travel under special situations, such as accompanying foreign dignitaries or protective missions or for travel to areas with higher than normal costs due to special events.

Another provision in H.R. 3291 would permit the reimbursement of travel and transportation expenses when an employee interrupts official travel and, with agency approval, returns home because of personal or other emergency. As we stated in our bill comments last year, we have recognized the need for such authority and we endorse this proposal. We are pleased to note that the bill also incorporates our suggestion that the employee be permitted reimbursement for the cost of emergency travel to a location other than the employee's home or regular place of business, but not to exceed the cost of return travel home.

Next, H.R. 3291 proposes to reimburse per diem and transportation expenses at or away from the duty post for employees in law enforcement, investigative, or other similar positions, and members of their immediate families, where such expenses are incurred due to threats to their

life or property resulting from the employee's assigned duties. The background material submitted by GSA indicates that this provision is intended for use in situations where the employee and/or the employee's family must be evacuated from their home to another location due to threats to life or property. We have no objection to this proposal.

H. R. 3291 would also require GSA to collect information periodically on agency payments for travel and transportation expenses. This proposal would essentially extend the reporting requirement contained in the 1980 amendments to the travel expense statutes, and we have no objection to this provision.

Finally, H.R. 3291 would authorize the payment of relocation expenses to Postal Service employees who transfer to positions in federal agencies. As noted by GSA in the background information, our decisions have held that such employees are not eligible for relocation expenses under current law since the Postal Service has been excluded from the definition of "Executive agency" for purposes of the relocation statutes. We recognize that both agencies and employees may not have been aware of our decisions and that erroneous payments to these employees have been ratified by

private relief legislation. We have previously suggested to Administration officials that general legislation would be appropriate to remedy this problem. H.R. 3291 would provide such general statutory authority for reimbursement of relocation expenses in these situations, and we endorse this proposal.

While not addressed in H.R. 3291, we would bring to your attention our proposal regarding the payment of real estate expenses to employees upon transfer from an overseas post to a new duty station in the United States. We proposed to the Congress in 1980 and again in 1983 that when a federal employee completes an overseas tour of duty and is reassigned to a different duty station in the United States, the employee should be reimbursed for the costs incurred in the sale of a residence at the old duty station and the purchase of a residence at the new duty station. Bills were introduced on this proposal in the Senate in 1980 and in the House of Representatives in 1982 and 1983, but no action was taken on these proposals. We suggest that the Subcommittee consider adding this proposal to H.R. 3291. We have provided your staff with copies of our proposal and the bills introduced in prior years.

This concludes my prepared statement; I would be pleased to respond to any questions at this time.

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